

The company plans to start construction on the new 150,000-square-foot facility, which is expected to be completed in 2005. ZF will initiate incremental hiring later this year through the Employment Security Commission. These jobs will have an average salary of \$33,400 per year.

Under the terms of the agreement authorized unanimously today by the state Economic Investment Committee a 10-year grant will be established. Over the life of the grant, the N.C. Department of Commerce estimates the project will:

- Generate a cumulative gross state product value of about \$625 million.
- Produce a positive cumulative net state revenue impact of \$22.7 million.
- Contribute nearly \$560,000 to the state's Industrial Development Fund for infrastructure improvements in rural North Carolina. This contribution is required of grant recipients that locate in a Tier 4 County.

For each year the company meets required performance targets, the state will provide a grant equal to 65 percent of the personal state withholding taxes derived from the creation of new jobs. If the company creates the jobs called for under the agreement and sustains them for 10 years, the agreement could yield maximum benefits to the company of \$1.7 million over the life of the grant.

The Job Development Investment Grant initiative, proposed by Easley and the state Economic Development Board in 2002, awards up to 15 grants annually to strategically important new and expanding businesses and industrial projects. These grants are only awarded to projects whose benefits exceed their costs to the state and which would not locate in North Carolina without the grant. Cumulative annual grant amounts are capped at \$10 million.

The first Job Development Investment Grant was awarded in May 2003 and has been responsible for bringing 4,421 new jobs and more than \$256 million in investment in North Carolina. Twenty-five percent of the eligible grant amount for each announcement made in more prosperous counties will be used to fund the state's Industrial Development Fund, a rural infrastructure fund. This fund, which will be worth \$15 million, works toward the fulfillment of Easley's commitment to build One North Carolina.

Many partners played a key role in this project including the city of Newton, Catawba County, the Catawba County Economic Development Corporation, Catawba Valley Community College and Leak Goforth Company.

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